Integrating Creative People, Creative Communities and Macro-Environmental Characteristics into the Marketing Organization

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Organizational creativity has been identified as a key element of successful competition. However, companies tend to emphasize efficiency and profitability which may lead to routinized behavior, with the potential of numbing creativity and the ability to sense and exploit opportunities and overcome challenges. The dilemma of operating efficiently while fostering creativity is vital to continued success and growth. This article examines the sources of creativity as well as the group of individuals called creatives. It offers insights into the environmental and organizational forces that organizations can harness to enhance their creativity.

INTRODUCTION

There are several objectives which are important in business, two of which are: efficiency and effectiveness. Effectiveness often depends on consistent execution and implementation. Efficiency in operations usually translates into less waste, reduced costs and a higher level of profitability. The drive for efficiency tends to be codified into standard operating procedures and usually reduces flexibility. In one sense, flexibility may be termed the enemy of efficiency because it may distract from the focus that reduces costs and helps boost profitability. Efficiency is important; however the danger of focusing on efficiency is that companies may miss opportunities for success.

Often, emphasizing efficiency and profitability leads to routinized behavior, with the potential of numbing creativity and the ability to sense and exploit opportunities and overcome challenges. The management literature addresses the need for organizational effectiveness as a requirement for firm success. Specifically, the field of organizational development seeks to increase the firm's problem solving abilities. That goal implicitly requires organizational change and management direction of the process. Organizational development accomplishes this goal by training managers and workers to be more

thoughtful in their approach to problem solving. There are several influences affecting an organization's problem solving capabilities. The first is training. Most organizations maintain training departments to develop personnel to add strength in critical areas. The second factor is arguably the more important. It is the basic intelligence and abilities of the individuals. Problem solving is said to be the most creative activity in business. It may require totally new ways of approaching situations. As such problem solving benefits greatly from the natural abilities of individual managers and employees.

The third factor is the group of systems by which individual creativity is harnessed by the organization. Creative ideas turn ordinary companies into market leaders. Some of these companies are visionary. They see their desired results and calculate what is needed to achieve them. Then they organize, energize and achieve. In reality, the majority of marketing organizations enjoys neither creativity nor innovation. One fault is that these organizations fail to build a culture that values creative or innovative ideas. The result is lost profits and opportunities and a wasting process that may lead to failure (Feldman, 2004). Creativity of and by itself is no guarantee of company success. It must be directed and channeled in the service of goals and objectives. If it is managed effectively, the organization may be able to reap the rewards of higher sales and profits, lower costs, higher customer satisfaction and overall success. If the creative process is not managed effectively, the company may suffer. To insure that individual efforts are not wasted, managers are encouraged to institute reward and communication systems that would harness individual and team skills and disseminate them through the organization (Christiansen et al., 2005). It should be noted that not all parts of an organization need the same level of creativity. In some specific activities like manufacturing or accounting, reliability and reproducibility are paramount. It would be reasonable to assume that the accounting staff should prize accuracy above all else and that their needs for creativity should be low. In contrast, advertising executives and new product developers need high levels of creative skills to be competitive.

The challenge facing marketers in the developed world is to keep their edge in competition in the face of growing activity globally. Much of the developed world has already shifted from low profit, low cost manufacturing industries like textile production to more high tech knowledge based industries. Two examples, India and Argentina, benefit from growing software development industries that have rejuvenated their balance of payments problems and pumped money into their economies. Marketers should know the causes of these macro level changes in order to exploit them in their own organizations. Recent research reveals the underlying causes of social and economic development in selected countries (Florida, 2000, 2004). The conceptual development is complex, but a number of themes emerge.

WHERE DO COMPANIES FIND CREATIVE PEOPLE?

Creative individuals (creatives) may be found anywhere. Astute business people can recognize creatives in the organization and decide how to harness their contributions. However, all organizations face the need to add personnel. Getting the right person in the right job is a hallmark of human resources management. That objective implies that a company has access to a suitable pool of candidates with the right credentials. Attracting the right candidates depends on the right mix of career opportunities, company benefits and community attractiveness. Location can be a powerful attractant or repellant. In some cases, a marketing organization's geographic location may be a weakness; in others a strength. Depending on the preferences of the ideal candidates, a location like New York City or Los Angeles may provide the right mix of excitement and adventure to attract a substantial applicant pool. With the wrong candidate, they may be viewed as too large, expensive and dangerous to consider. There is a naturally occurring process that concentrates creatives in specific cities and locations that can be termed creative communities.

CREATIVITY AND COMMUNITIES

In today's knowledge economies, the ability to be creative is now a decisive source of competitive advantage. Creativity offers the potential of developing new methods, markets, and

opportunities. In a community, those benefits may differentiate communities that advance from those which do not. In a company, creativity may be the single most important factor that determines competitiveness. In truth, it must be harnessed for success; disciplined to reach organizational goals. In the best of circumstances, without creativity companies will suffer inevitable decline.

Creativity is multidimensional. It is not exclusively represented by blockbuster inventions, new products or new paradigms. It also involves the constant revision and enhancement of every product, service, process and activity imaginable. A distinctive "culture" is required to sustain this mentality. Creativity requires a social and economic environment that can nurture its many forms. Similar to the Protestant ethic, with its values of thrift, hard work and efficiency, all of which motivated the rise of early capitalism, the social, economic and cultural underpinnings of the creative class drive development in today's world.

Companies which depend on continuous creativity can benefit if they are located in cities or regions that attract 'creatives.' Creatives are those individuals whose viewpoint, skills, motivation and need to succeed allow them to develop innovations of value. Creative work comes from individuals of all colors, genders, locations and personal preferences. These must be respected and tapped if development is be sustained. To grow and prosper, developed and developing societies must nurture, attract and retain creative "knowledge workers."

Florida (2002) and more recently others (Davies, 2005; Prestowitz, 2005; T. Friedman, 2005; B. Friedman, 2005) stress that a small but rapidly growing percentage of the world's population is composed of "creatives," those diverse, innovative, energetic individuals who initiate, nurture and push new ideas, thereby creating economic and social progress. They often start out separated geographically, but when they get together either "in-community," by physically living in the same city or town, or "virtually," through e-mail, web-casting, video conferencing, etc., they tend to act creatively, in concert, and important developments happen (Pitta and Fowler, 2005). The most significant implication of forming creative communities is the powerful "good" influence of the activities of such communities. Creative, knowledge workers are hugely responsible for economic growth, social welfare and political power in today's world (T. Friedman, 2005). To a disproportional extent, they comprise the designers, innovators, entrepreneurs and marketers who are shaping the 21st century.

Creativity offers insights and new ideas that eventually become innovative solutions to problems. Combined with adroit marketing, creative ideas become commercial successes that lead to dynamic societies, political influence and economic development. A key to understanding the origins of creativity is the concept of learning (Senge, 1990), and learning is inspired by diversity. Novel ideas often come from new combinations of existing knowledge, or an integration of technologies (Kao, 1996; Iansiti, 1998). When people from different backgrounds combine their perspectives, and new solutions emerge, learning takes place. In the proper environmental setting, widening the variety of perspectives increases the chances for creative ideas. Due to the effects of "globalization," creative ideas can come from any part of the world stemming from a staggering number of different conditions and different societies. Today, having creative teams of individuals in one's organization, one's community and one's country has become perhaps the major goal of leaders across the spectrum of human (Bornstein, 2004 and Prahalad, 2005). But the situation has grown more complex. A commonly held belief is that communities which possess diversity in people and ideas, those that represent the creative class, will grow and prosper. Those that do not will wither and stagnate (B. Friedman, 2005). However, in today's environment, technology has altered the nature of who does creative work, and when it is done. Contemplate a collaborative effort involving the following: the Indian computer code writer, the Chinese manufacturer, the American engineer, the Irish copy-writer, the Chileno wine producer, and the Brazilian cattle rancher. Each represents parts of global value chains that work multiples of 24 hours a day, 7 days a week. When these value chains are combined, they put food on the table of a restaurant where policy makers gather to discuss programs to govern and guide their constituencies, including how to build a creative class. They must be made to realize that the ends are the means, and the environment they are enjoying can be the impetus for growth and prosperity. The environment becomes the objective.

Inherent in Florida's work is the notion that members of the creative class tend to grow from and gravitate to environments that support "micro" level characteristics such as imagination, curiosity and uniqueness. Such individual characteristics are commonly linked to ability to generate innovative and insightful new ideas (Amabile, 1988). Florida notes that "creatives" tend to value diversity since they are often diverse themselves. He postulates that "creatives" grow from communities or organizations that imbue open-mindedness, willingness to listen and communicate, and tolerance (Florida, 2004). While past work on the "creative" phenomenon at the micro level is significant and important, an understanding of "macro" environmental characteristics, those that often distinguish countries, and how they influence the nurturing, attracting and retaining of "creatives," has not been fully developed. The objective of the present research is to begin to fill this void by proposing a model and framework of theoretical correlates that may improve our understanding of what attracts or exerts a pull on the creative class, no matter from where they come.

MACRO ENVIRONMENTAL CHARACTERISTICS AND "CREATIVES"

Figure 1 depicts the model that guides the ideas and propositions put forth in this paper. The model reflects as outcomes much of the creative culture literature (Florida 2000, 2002). In essence, nurturing, attracting and retaining "creatives" is a valuable undertaking that leads to regional, country, community and organizational development and success. However, in this model, the main focus is the antecedents to nurturing, attracting and retaining "creatives." These antecedents represent six macro-environmental characteristics that are postulated to form the base upon which "creatives" and the creative class rise.

A FRAMEWORK TO CAPTURE MACRO-ENVIRONMENTAL CHARACTERISTICS THAT SUPPORT "CREATIVES"

The model emphasizes characteristics thought to be essential building blocks upon which a region's, country's, community's or enterprise's "creative class" is based, and thus where its competitiveness originates. This framework is typically applied to assess the attractiveness of competing in international markets. The model includes a set of six primary environmental dimensions (constructs) which are potentially useful in assessing, at the macro-level, an environment which attracts, nurtures and retains members of the creative class. A brief overview of the framework and its logic is provided below.
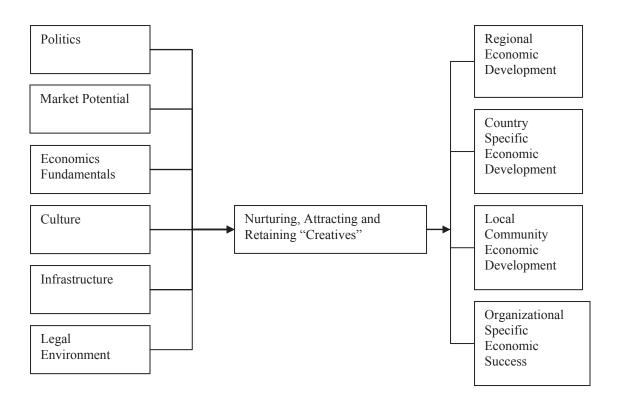
Of the six primary environmental dimensions, politics is instrumental. The construct of "politics," when contemplated from a creative class formation perspective, focuses on the extent to which the country of residence, where the "creative" lives and works, through creation and administration of governmental policy, has (1) the trust and backing of its people, (2) generates conditions conducive to creative enterprise and innovation, and (3) is sensitive toward the private sector of the economy. The central question in the minds of creatives is whether the political environment of their country of residence supports or undermines their opportunities and ambitions. Three secondary concepts further refine the dimension of politics:

Stability, more specifically the nature of present and future political stability, is indicated by the degree of centralization of political power, the extent of representation and the level of confidence of the people in their government. People of means, a prerequisite often associated with the creative class, seek to flee chaotic political situations. The nature of diplomatic relations between the country of residence and other countries draws attention to the anticipated or realized effect of international relations on creative opportunities. Trade matters. The internal governing policies of the country of residence reflect attitudes of public officials toward the role of government. Actions that impact private enterprise are most noticeable to enterprising individuals.

Market Potential is the second primary environmental construct listed in the framework. It also contains three secondary concepts. The construct of "market potential" in viewed in the "creative class formation" context, focuses on the extent to which the country of residence (and by extension its global

markets) - a) provide an adequate demand for a creative enterprise's products and/or services, including ability and willingness to purchase their goods and/or services, and b) whether the competitive environment is conducive to market expansion by the creative enterprise (both within the country of residence and internationally).

FIGURE 1
MACRO ENVIRONMENTAL CHARACTERISTICS AND "CREATIVES" – A MODEL

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┌─────────────────┐                                              ┌─────────────────┐
│ Politics        │                                              │ Regional        │
│                 │                                              │ Economic        │
└─────────────────┘                                              │ Development     │
                                                                 └─────────────────┘
┌─────────────────┐                                              
│ Market Potential│                                              ┌─────────────────┐
│                 │                                              │ Country         │
└─────────────────┘                                              │ Specific        │
                                                                 │ Economic        │
┌─────────────────┐                                              │ Development     │
│ Economics       │                                              └─────────────────┘
│ Fundamentals    │      ┌─────────────────────────┐            
└─────────────────┘      │ Nurturing, Attracting and│           ┌─────────────────┐
┌─────────────────┐      │ Retaining "Creatives"   │            │ Local           │
│ Culture         │ ───→ │                         │ ───→       │ Community       │
│                 │      └─────────────────────────┘            │ Economic        │
└─────────────────┘                                              │ Development     │
┌─────────────────┐                                              └─────────────────┘
│ Infrastructure  │                                              ┌─────────────────┐
│                 │                                              │ Organizational  │
└─────────────────┘                                              │ Specific        │
┌─────────────────┐                                              │ Economic        │
│ Legal           │                                              │ Success         │
│ Environment     │                                              └─────────────────┘
└─────────────────┘                                              
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Market Potential issues lead to two key questions in the minds of "creatives." First, does the economy of the country of residence (and those of its established trade partners) have the necessary means to purchase the products and services derived from their enterprise? And second, how are the needs of the market currently being met? Three secondary concepts further refine this construct.

Current and future demand (and ability to pay) for the differentiated output of "creative enterprises" must exist in the country of residence, and/or in readily accessible international markets. Adaptation requirements and related costs associated with "creative's" product and/or services must be relatively easy to meet.

Competition, both in the country of residence and internationally, must allow relatively free entry and exit from markets, and motivate a creative's interest in establishing business activity. Economic Fundamentals is the third primary environmental construct in the framework. It contains three secondary concepts and 12 correlates of creative class formation. The economic fundamentals construct focuses on the nature of development in the "creative's" country of residence, as measured by broad economic performance standards and the overall level of production and consumption of goods and services. The key questions for "creatives" concern the nature and extent of industrial and consumer market evolution in their country of residence. Three secondary concepts further refine the construct. They are:

- Development and performance of the country of residence economically, as measured by current broad standards, including how the economy is classified when described in public.
- Production strength within the country of residence in terms of ability to produce goods and services, production capacity utilization, and expansion capability.
- Consumption trends, of both consumer and industrial goods, in the country of residence.

Cultural is the fourth primary environmental construct within the framework. It focuses on the similarities and differences within a "creative's" country of residence population with respect to commonly shared lifestyles, customs and social relationships. It reflects the degree of cultural correspondence, tolerance for diversity and the resulting feelings of belonging by "creatives". A key issue for "creatives" is the degree of cultural harmony and its effect on their work and chosen lifestyle. Two secondary concepts further refine this construct:

- Cultural unity, from nationalization, which impacts the degree of ethnic sensitivity and social integration in the country of residence.
- Cultural differences (distance) between the population segments in the country of residence as reflected in feelings that could undermine peaceful coexistence in times of instability.

Infrastructure is the fifth primary environmental construct in the framework. It focuses on the opportunities and challenges to the realization of "creative" enterprise operations presented by the country of residents' transportation and communications systems and networks. The key question regarding infrastructure is the extent to which "creative" opportunities are affected by fundamental conditions, such as land formation and climate, exist within a country of residence. Three secondary concepts further refine this construct.

- The extent and nature of the country of residence's distribution infrastructure.
- The extent and nature of the country of residence's communications infrastructure.
- Geographic and climatic conditions that affect the "creative" lifestyle and enterprise in the country of residence market.

Legal Environment is the sixth primary environmental construct. It contains three secondary concepts. This construct focuses on the country of residence laws, regulations, and practices that prevent or restrain "creative" lifestyles and/ or enterprise. For "creatives," the key question is whether the country of residence's laws and regulations help or hinder their chosen lifestyle and enterprise. Three secondary concepts further refine this construct.

- Tariffs and taxes in the country of residence.
- Non-tariff barriers of the country of residence.
- Other legal considerations that effect creative enterprise and lifestyles (e.g., travel restrictions, intellectual property protection, civil/social law).

Taken together, the six primary environmental dimensions (constructs), along with the 17 secondary dimensions (concepts), define a framework for assessing the influence of macro environmental conditions on creative class development and retention. It can be applied to specific regions, countries, and communities, as well as to the organizations that reside within them. The model is conducive to further exploration because data to measure many of the concepts and variables, used to represent the constructs, is readily available from secondary sources. The concepts outlined in the model have energized cities around the world to groom their appeal to creatives. Cities have developed their infrastructure and changed their local laws to make themselves more welcoming to creatives. Municipalities have added recreational elements like bicycle paths. They have supported cultural districts and taken measure to be more 'welcoming.' In some cases, the attempts have been counterproductive. For example, Richmond, Virginia decided to implement creative class ideas. The city fathers and local economic-development experts decided to revive their downtown by making it a trendy arts district. However, there were no readily available funds to finance its efforts. After consultation, the city passed a restaurant tax and contemplated raising its hotel taxes. Understandably, the local business community complained that the tax increases would kill as many jobs as the revitalization might create. The lesson is that any action to

attract individuals to a community or a company must be taken with careful consideration of what they want and what it will cost to provide it.

APPLYING CREATIVE CULTURE TO THE ORGANIZATION

On the micro level, the factors that affect creativity implementation are more focused. Figure 2 depicts a model of those factors which affect a firm's successful management of creativity.

FIGURE 2
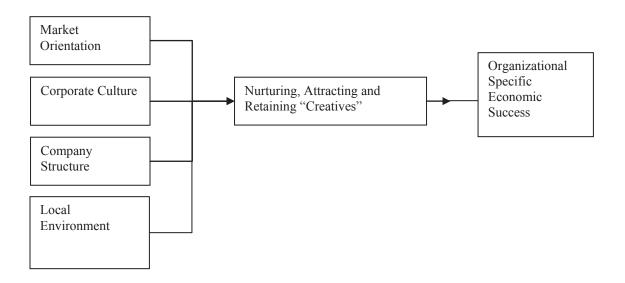**INTERNAL ENVIRONMENTAL CHARACTERISTICS AND CREATIVE PRODUCTIVITY**

Figure 2 represents some of the organizational analogs to the salient factors regarding creative communities. They roughly parallel those acting on the macro level. The factors focus on attracting, nurturing, and retaining creatives as well as harvesting the results of their creativity. Internally, companies must first attract candidates before they can encourage and nurture them. In some respects, the challenge that companies face in attracting and nurturing creative individuals parallels that of cities. In fact, the Local Environment is still an important factor. Companies can recruit nationally or internationally but may be limited by the attractiveness of their cities. Arguably, job candidates may be more motivated by salary and career opportunities than by local amenities, but those characteristics are still important. Companies are not powerless to affect their surroundings. They can contribute locally to benefit their host cities and thereby make them more attractive to their employees. One noteworthy example involves the Upjohn Company, the pharmaceutical firm now part of Pfizer Corporation. Upjohn was founded in Kalamazoo, Michigan, a small city with a current population of 72,000. Despite its small size, the city boasts a symphony orchestra, a series of museums, professional sports teams, and world class hospitals. Kalamazoo benefited from direct grants from the company as well as contributions from company investors and employees. It must be stressed that not all creative individuals are young and hardworking. As stated above, creatives come in all sizes and ages. It may be that a particular company requires creative individuals with medical and advanced science degrees. For those candidates, the educational process takes years and insures that they will be mature. That group of creative individuals may desire a unique mix of local amenities that may be difficult to provide. In addition, elements that spark career interest may also be important. In the case of Kalamazoo, the Midwestern small city environment proved to be a plus to researchers who valued the personal safety and good schools it offered for their families.

That factor, combined with the career opportunities made recruitment relatively easy. Thus, not all creatives desire the same community characteristics.

There is a caveat. Some evidence suggests that even though creative class concepts seem valuable, some favored cities which have all the requisite elements to attract creatives, are not hotbeds of creation and productivity. It may be that the creative culture is a necessary but insufficient condition for innovation and success and that organizational factors complete the picture.

The second element identified in the model is Company Structure. Companies vary markedly in how they are organized and the rules they use to operate. There has been some research on the connection between organizational creativity and the organizational structure needed to exploit it (Khandwalla and Mehta 2004). Four major themes emerged. The first involved, classic work in the area (Burns and Stalker, 1961) which noted that innovation required a style termed 'organic.' An organic structure is characterized by extensive decentralization and a healthy flow of lateral and vertical communications. It differed from the 'mechanistic' hierarchical structure bound by rules which stifled creativity. Moreover, when getting results was stressed over following rules and procedures, employees increased their level of improvisation. The result was diffusion and sharing of the decision process. In essence the style foreshadowed the cross-functional team approach used for tasks such as new product development. The result was that all stakeholders had a part in the decision and experts on the team had a greater input than managers who were nominally responsible. It needs to be emphasized that results must be stressed. In the landmark study, goals motivated a change in structure and without goals there is a risk of innovation for its own sake, which is usually not profitable.

A second major theme is that for an organization to be innovative, it must not only generate creative ideas but also be able to implement them effectively (Steiner, 1965). This is a bipolar requirement that needs two different structures. Idea generation requires a 'free-wheeling, boundaryless' brainstorming culture like that found in an advertising agency. Implementation, in contrast, requires a laundry list of skills. They include a culture with strong planning, coordinating, and evaluation skills, robust reward systems and incentives for superior performance, effective control systems, and cross-functional teams for excellent coordination. Two structures are often needed because the tasks involved, invention (ideation) and innovation (implementation) are so focused and distinct (Kimberly, 1981).

The third theme linking organizational design and creativity is that organizational design for breakthrough products may differ from organizational design for continuous incremental innovations throughout the organization (Gluck, 1985). The best example of an organizational design for break-through products is the Skunkworks design center pioneered by Lockheed Aviation and now part of Lockheed Martin Corp. Named for a foul smelling fictional production center is a popular cartoon, it divorced itself from the creativity stifling company organization and developed remarkable aircraft such as the U-2 and SR-71. The name 'skunkworks' has almost become a generic term for a center of high creativity and productivity. Skunkworks centers include teams of very bright, creative individuals pursuing breakthrough innovations, often with few resources. They use teams headed by a creativity champion and disregard rules and regulations and focus on results.

Another venerable example, the Xerox Corporation's Palo Alto Research Center, shows the problems that result from a lack of an innovation focus. Xerox invested heavily in basic research with the goal of invention. The center produced numerous inventions that today form the foundation of modern computing. However, Xerox failed to commercialize any of them. Other firms, like Apple Computer, were able to recognize and implement commercial applications. The disconnect between innovations and commercialization is almost amazing and represents a stark failure. It is clear that creativity alone, even when the result of a team effort, is only part of the process.

In contrast, the Japanese kaizen structure features consensual, participative decision making, a continuous improvement approach and avoidance of conflict. The approach suits the Japanese culture with its emphasis on harmony and joint decision making. The focus is implementation, to turn ideas into products, and the Japanese firms that use it are extremely successful.

The fourth element is to use an innovation powered competitive strategy (Drucker, 1985). Unlike the marketing emphasis on product differentiation, market segmentation and cost based strategies,

competitive strategies focus on ultimate goals. Two major competitive strategies were identified. One is developing a first mover advantage that results in a breakthrough product. The other is finding a new use for an existing product, creative adaptation.

When all of these are combined appropriately, the company has a chance of maximizing the contribution of the creative individuals it has managed to hire. Creatives are important, but they become valuable when they are combined with the other ingredients: the right structure, and strategy.

The third listed factor is Corporate Culture. Culture in an organization can be viewed in terms of supports and impediments to innovation. Culture as a support for innovation is most likely to occur in organizations that (a) have integrative structures, (b) emphasize diversity, (c) have multiple structural linkages inside and outside the organization, (d) have intersecting territories, (e) have collective pride and faith in people's talents, and (f) emphasize collaboration and teamwork (Kanter, 1988).

In contrast, culture as an impediment can be described as segmentalism. Segmentalism is described as "a culture and an attitude that make it unattractive and difficult for people in the organization to take initiative to solve problems and develop innovative solutions" (Kanter, 1983). There are even 10 "Rules for Stifling Innovation." They focus on control of action, decisions, and information, hierarchical structures, and lack of supervisor support or encouragement. Innovation is highest in the companies that are least segmented and segmentalist but instead have integrative structures and cultures emphasizing pride, commitment, collaboration, and teamwork" (Kanter, 1983). These characteristics are strikingly similar to the culture in Japanese companies. In Japan, decisions are not made at the top and handed down. They are made in the middle and require communication and consensus building. Low segmentalist organizations are political in the sense that managers will have to capture support and power for their ideas through persistence and persuasive arguments. However, those organizations are civil in the sense that support is gained through persistent and persuasive arguments and open communication rather than backstabbing. The resulting harmony is valuable.

The fourth and last element of the model is Market Orientation. Given the importance of innovation, the conversion of great ideas into great products, a finger on the pulse of the market is vital. Market orientation as a concept has been refined by two groups of researchers. The first, Narver and Slater (1990), developed one of the most comprehensive conceptualizations with several positive features. It adopts a focused view of markets by emphasizing customers and competitors as well as other environmental elements such as technology and regulation. While it is firmly grounded in the marketing concept, it tends to concentrate on external factors. In contrast, work by Kohli, Jaworski, and Kumar (1993) recognizes the activities in which firms engage to succeed. These involve the speed with which market intelligence is generated and disseminated within an organization, and which activities firms use to exploit that intelligence. This use of intelligence is typified by a firm's level of responsiveness. Kohli, Jaworski, and Kumar (1993) even designed the market orientation measure (MARKOR). It assesses the degree to which an SBU (1) engages in multi-department market intelligence generation activities, (2) disseminates this intelligence vertically and horizontally through both formal and informal channels, and (3) develops and implements marketing programs on the basis of the intelligence generated. Together, both approaches seem to capture the essence of market orientation. Underscoring the importance of both approaches to the construct, market orientation has been defined as a business culture that has two major elements. First, it places the highest priority on the profitable creation and maintenance of superior value for customers while considering the interest of other stakeholders. Second, it provides directions regarding the organizational generation and dissemination of and responsiveness to market information (Langerak, 2003). The concept of market orientation has an inherent logic that is well recognized. Moreover, the literature indicates that a company's market orientation is directly related to organizational performance (Langerak, 2003). Using either construct view, it appears that firms with a higher marketing orientation perform better than those with a lower marketing orientation. The measures of performance comprise metrics like profitability, sales growth, customer satisfaction, and successful introduction of new products. The underlying explanation may be that a market-oriented organizational culture produces a sustainable competitive advantage, and thus, superior long-run organizational performance (Hunt and Morgan, 1995).
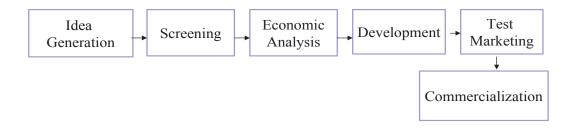
HARNESSING CREATIVITY FOR THE ORGANIZATION

Having access to a creative geographic location and being able to recruit creatives is a necessary but insufficient condition for success. Firms must manage and support their creative processes to be able to succeed.

In some respects, creativity and effectiveness go hand in hand. Management effectiveness rests on the bedrock of several elements. One is the ability to solve problems. Problems arise in any manufacturing or service organization. When the problems are familiar, their solutions may also be familiar. One benefit of the focus on efficiency is that some of the problems that a marketing organization encounters will be 'old' and solved quickly by equally 'old' solutions. The 'new' problems demand effective problem solving skills. When a firm faces one of the variety of problems which constitute roadblocks to its progress, it might try to overcome each one using brute force and money or a less costly problem solving process based on insight and finding creative solutions.

There are many internal processes that can benefit from creativity. One useful example is the new product development process (NPD). NPD is typical of the creative marketing processes and requires a balance of flexible, free association with a controlled focus on useful results. The NPD process is representative of many creative processes that organizations conduct and it can clarify some of the challenges and requirements firms face. It begins with Idea Generation and ends with Commercialization. Figure 3 details the stages of the process.

FIGURE 3
THE NEW PRODUCT DEVELOPMENT PROCESS

Creativity is important at each stage of the process but perhaps most obviously so at Idea Generation. Idea generation requires an almost uncontrolled series of ideas that require seeing things in new ways. The results usually combine existing concepts in ways previously unimagined and benefit from diverse perspectives and backgrounds. Organizations often create cross functional or boundary spanning teams to gain a critical mass of diversity. Diversity is valuable in terms of specific knowledge that enhances the team's information base. Moreover, it offers experience of a variety of different usage situations and different sought-after benefits to make team efforts more effective.

Diversity can be harnessed using two types of NPD teams. One, a cross-functional team, combines specialists from a variety of departments in a company. They may include accountants, engineers, and lawyers, in addition to marketing personnel. The second form, the boundary spanning NPD team includes outsiders. They may be suppliers or downstream channel members. They might also include consumers selected for their knowledge of a product category and their valuable consumer perspectives on use of a product and product benefits (Pitta and Franzak, 1997; Herstatt and von Hippel,

1992). Broadening the membership of a NPD team offers the potential of a higher probability of getting it right in the beginning.

One lesson learned in the use of both types of extended teams is that a careful managerial hand must guide team actions. Integrating consumer input consistently in an ongoing relationship is clearly difficult. Company employees are easier to work with and control than outsiders. This is true in part because outsiders are not on the payroll. Customers and channel members are not employees and they have personal interests and concerns that may not coincide with an organization's. They can expect little direct reward for their cooperation. In addition, consumer participation is also subject to the subtle structural influences of the product development team. Structure, command and control are related elements that determine team success (Senge, 1990). Typically, teams employ internal governing components. When two teams interface, two control elements interface also. The lesson learned in warfare is that the weakest part of a battle line is at the boundary between neighboring units. Although the physical distance may be but a soldier's arm length, unless the units are under the same commander's control, they cannot act as one. The weakness does not lie in the courage, intelligence or motivation of the troops but in the separation of the control structures. The analogy for product developers is that boundary-spanning teams need effective control elements that bridge the gap between internal and external members. The lesson for managers leading creative teams is that at each stage of the creative process, they must balance creativity with control to yield an economically beneficial outcome.

The other stages of the NPD process can also benefit from creative activity. Typically, the Screening and Economic Analysis stages tend to be clearly proscribed by rules based on organizational objectives. They are controlled by standard operating procedures but a measure of creativity may be helpful in customizing the decision rules. Development may benefit from experience but here creative solutions to establishing brand image, a set of relevant benefits and promotion appeals can spell the difference between success and failure. The fifth stage of the process, Test Marketing, demands a high level of creativity. Test marketing involves testing the marketing plan for a new product including aspects of its price, promotion, distribution and product benefits. Designing the specifics of the four P's requires great creativity. Finally, the last stage, Commercialization, demands similar levels of creative solutions. Once again, it should be emphasized that creative efforts must be focused on organizational goals and managed for success.

The example of Japanese firms focusing on innovation to yield marketable products underlines the importance of creativity in each stage of the process. Before marketing anything, Japanese companies decided to emphasize innovation. Thus at each stage, from idea generation onward, that focus helped guide their actions and decisions.

MANAGING ORGANIZATIONAL CREATIVITY FOR SUCCESS

Nurturing organizational creativity is the first part of a multistage process of using creativity to achieve goals. Figure 4 highlights some important elements that impact the output of team creativity. Although the specific example is focused on the new product development process, it is applicable to any team based activity that involves seeking creative solutions to problems. Here the central focus is the NPD team but the model applies to a variety of organizational teams and task forces.
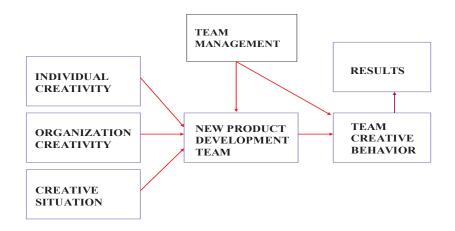
If the company has recruited and trained creative individuals, organized them into appropriate teams, and fostered a climate of organizational creativity, it is prepared for any situation. The situations that firms face which demand creative responses, vary from industry to industry. In some like automobile manufacturing, changes in laws, the price of fuel, economic conditions and other factors can make effective strategies obsolete. The changes may affect all aspects of a company from product design and engineering to marketing and promotion. The possible permutations are much too complex to consider here. However, a well designed and managed creative team is the best vehicle for meeting the challenge.

Team management and control are vital for success. After the team begins to operate, the key elements of trust, open communication and joint problem solving are basic and become very important. Team management directly affects team composition and operation. Management selects members, sets the

creative agenda, the time frame for completion, and some expectation of desired outcomes. The focus may be on innovation or invention but the team is definitely not left to itself. Management also extends to expectations of team behavior. How, when, where and how long to work usually are communicated by corporate culture and the team manager. This is the last stage of the model before the products of creativity. The team manager's control, motivation, and operation in large measure determine the team's level of success in achieving objectives.

FIGURE 4
INFLUENCES ON NPD PRODUCTIVITY

TEAM CREATIVITY

To aid managers, team reward systems must be developed carefully. With completely internal teams, the best method is to reward members on the basis of the entire team's performance and their contributions to that performance. If outsiders are involved, the situation is more complicated. The question of how to reward the external members must be solved. There is a set of tangible and intangible possibilities which might include payment, early access to new products, or a special honorary status. The Smithsonian Institution in Washington, DC offers such rewards. It accepts volunteer help in most facets of its operation. In many cases the volunteers are accorded an honorary title and some privileges. Its Air and Space museum attracts aviation enthusiasts from around the world. It's lesser known Paul Garber aviation facility houses and restores the entire collection of air and space craft. Visitors who reserve space on a tour of the facility are served by volunteer experts called docents. Their knowledge and helpfulness are professional, even though they receive no pay. Their reward is to be allowed to roam the facility and share their love of aircraft.

CONCLUSIONS

This paper presents the foundation of creative class formation. The value of nurturing, attracting and retaining "creatives" in any region, country, community or enterprise is no longer in dispute. However, the challenge faced by organizations is to attract creative individuals and allow them to achieve their potential for the benefit of themselves, the company and company customers. In order to accomplish these objectives, companies need to create the conditions for success. The literature stresses that creatives' contributions are magnified when they work in concert. It also shows some of their preferences in terms of life styles, activities, stability, and amenities that a city provides. These elements influence their interest in working for specific firms in specific cities. In order to attract groups of productive creatives, firms need to understand what their particular group of candidate's value. Perhaps more important, the

internal conditions influencing creative productivity depend on having the right organizational structure, the right corporate culture and reward systems. Finally, having a high level of market orientation is vital. Market orientation translates into knowing customer needs and competitor capabilities as well as being able to respond to changes in the environment quickly. Simply put, marketers must manage the diverse elements that influence creativity and success like a weaver combining threads into a garment (Chen, 2005).

IMPLICATIONS FOR MARKETERS

In order to attract creative individuals to an organization, the first requirement is to insure that the local environment is at least acceptable to the candidates that a firm wishes to attract. In some cases, extreme climate conditions, small city population, and lack of amenities will prevent some companies from finding people they need. One costly solution might be to move the facility to a more creative friendly atmosphere. Another is to form virtual teams of managers from multiple sites who can collaborate to get the job done.

Perhaps the most important implication for managers is that companies need the proper organizational structure to succeed. Creatives' talent can be wasted if it is not channeled properly. Companies which promote ideation but not implementation and innovation run the risk of repeating the PARC project's failure. The lesson is clear, creatives must be nurtured to generate ideas; implementers must help with the burden of creating profit generating products from those ideas. Both are vital and both must be organized and controlled effectively.

Cross-functional teams have proven themselves in new product development. They are valuable in other creative applications. The richness of expert experience on a well designed team provides the breadth of perspectives needed to see a problem in the best way to solve it. The more sophisticated boundary spanning teams are more complex to manage but their contributions can be equally valuable in a variety of organizational areas. There is no substitute for up to date contact with upstream suppliers or downstream retailers and consumers. In areas ranging from new product development, marketing and sales to accounts receivable, installation and service, firms can benefit if they understand external preferences and pressures and use that knowledge to improve their strategic plans.

Corporate culture was shown to be either a support or impediment to creativity and innovation. In order to support innovation, organizations need to (a) use integrative structures, (b) emphasize diversity, (c) have collective pride and faith in people's talents, and (d) emphasize collaboration and teamwork. Without a supportive culture, the ideation and innovation of the creatives in an organization will be wasted. Culture must be supported by rewards, recognition and appreciation and communicated throughout the company.

Finally, market orientation is the last item that allows the ideation and implementation to bear creative fruit. Companies with a high level of market orientation typified as intelligence generation, intelligence dissemination and responsiveness are like finely trained athletes who study game films of their competitors and know their customers well. They are more likely to focus on the important factors and capitalize on them. Low levels of market orientation risk failing to sense opportunities and threats or react swiftly to them. Firms typified by low market orientation will be quite vulnerable to more agile competitors.

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